# TOKYO GAZETTE

## A MONTHLY REPORT OF CURRENT POLICIES, OFFICIAL STATEMENTS AND STATISTICS

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The material in the TOKYO GAZETTE is selected mainly from the *Weekly Report*, edited by the same Bureau. The accuracy and comprehensiveness of data presented in the *Report* are fully established. For the benefit of students of Japanese affairs, the TOKYO GAZETTE is endeavouring to maintain these qualities in the hope that its publication will eliminate unfortunate misunderstandings and thus contribute to world peace and international goodwill.

***Printed in Japan***

## STATEMENT OF THE JAPANESE GOVERNMENT

—Issued on the Occasion of the Establishment of the New Central Government of China, March 30, 1940—

LIFE is a constant progression and growth; conditions change from time to time. The relations prevailing between nations are regulated in accordance with these changes. It is in conformity with such actualities that Japan is exerting her utmost efforts for the concrete manifestation of international justice and the firm establishment of peace among mankind.

Now that a new Central Government of China has been established and the construction of a renascent China has begun, the Japanese Government wish to offer their congratulations. For the development of the new Government, the Japanese Government will render their wholehearted cooperation and support, in accordance with their repeated declarations.

It is Japan's earnest expectation that the other Powers will come to a clear understanding of this solemn reality, and will forthwith contribute toward the establishment of peace in East Asia.

What Japan asks of China is that she make complete her independence and her freedom on the basis of moral principles; that she proceed, in cooperation with Japan, toward the construction of a new order in East Asia, thereby participating in the resulting progress and prosperity.

In order that Japan and the other countries of East Asia may preserve their existence, it is only natural that she should show special concern and desire for the development and utilization of the resources of China. Japan has no intention, however, of excluding such peaceful economic activities of third Powers as conform with the new situation in that part of the world. On the contrary, it is her desire to cooperate with these Powers and to share with them the benefits of international amity. It is for this reason that Japan, despite the abnormal conditions arising out of continued military operations, has endured many disadvantages in order to protect the rights and interests of third Powers. The Japanese Government are confident that the New China will pursue a similar policy.

A renascent China has just set out on the road to progress; a new development is about to commence in East Asia. So long,

however, as the remaining pro-Communist and anti-Japanese forces fail to awaken from their illusions, Japan will not lay down her arms; nor will she relax her vigilance and her firm determination to surmount any obstacles that may arise in the future.

# WANG CHING-WEI AND THE NEW CHINESE GOVERNMENT

CABINET INFORMATION BUREAU

THE strength of the new Chinese Government established at Nanking under the leadership of Mr. Wang Ching-wei has been variously appraised according to the backgrounds of the reviewers. What is aimed at in these pages is to offer a few outstanding facts in connection with the political and economic resources at the command of the leader and to outline the possibilities of that Government, with a view to aiding in a correct understanding of the new situation that has developed in East Asia.

## Areas under the new Central Government

Out of the twenty-four provinces of China, fifteen are entirely or partially under the rule of the Nanking Régime: these include the whole of Hopei, Chahar, Shantung, Anhwei and Kiangsu; the greater portions of Shansi, Suiyuan, Honan, and Hupeh; and lesser sections of Chekiang, Kiangsi, Hunan, Kwangtung; Kwangsi and Fukien Provinces. With the consolidating of the foundations of this administration and the retreat of the Chungking régime, its influence is expected gradually to extend to the whole of China. The fifteen provinces comprise most of those which are termed wealthy with "vast land and abundant product" as the Chinese phrase goes. In density of population, richness of mineral and agricultural resources, and in respect of communications and trade, they are of far greater importance than the regions remaining under Chungking; it was the control of those very resources, in fact, that gave General Chiang Kai-shek and his following their conviction of an ultimate victory in a long drawn-out war. It is areas such as these which naturally promote the growth of political forces, so that the two great political factions, the Kuomintang and the Communist Party, grew with these regions as their spheres of influence. The former rested their power on the commercial interests in the maritime districts and in the landed classes of the rural districts, while the latter received the support of the working classes in the cities and of the peasantry. For ten years prior to the outbreak of the China Affair, the two factions had been engaged in a desperate

struggle which ended, for a time at least, in a victory for the Kuomintang. The Communists were driven into the interior and that part of the urban populations which also formed its adherents were rendered powerless, leaving the intelligentzia to carry on their activities as the so-called Popular Front. The new Central Government thus inherits most of the territory which had been under the sway of the Kuomintang at the outset of the present Affair; but despite certain changes that have been effected and the evidence of a greater tendency to accept Communistic propaganda, Nationalist influence remains deeply rooted in those regions.

## Political Strength of Wang Ching-wei

No one determined upon the reconstruction of China can afford to disregard this influence, so that a good deal of Mr. Wang Ching-wei's political strength lies in the fact that he is the central figure in the organization of the " orthodox " Kuomintang. He parted with the more bigoted elements of that Party which, misled by the fallacious idea of building up a new China through resistance to Japan, are still directing from Chungking their reckless hostility to this country.

Early recognizing the futility of armed struggle with Japan, and understanding Japan's true motives in the creation of a New Order, Mr. Wang daringly put forward his principle of peace and national salvation, rallying to his banner those who held the same political beliefs. As a mere advocate of peace he could never have succeeded in drawing to him those who, today, are the mainstay of his Orthodox group. He had to convince them that the ideals for which he stood and stands—a peaceful China vowed to anti-Communism—made him their natural leader and the Saviour of his country. There are some who entertain fears as to the future of Mr. Wang and his Government, but they view the new régime in a false light.

Although he and his followers are denounced as traitors by both Chiang Kai-shek and the Communists, it is nonetheless certain that these opponents of his have no misconception of the true situation in China. Mao Tze-tung, the Communist leader, in recognizing the class basis upon which Mr. Wang's party has been founded, points out that " it cannot be made light of." He emphasizes likewise a danger to the anti-Japanese united front arising in the dissensions, retreats and surrenders of his partisans and the absolute necessity there is that this danger be removed.

When the enemy's estimation is the correct one it would be

deplorable indeed if those who would cooperate in the great task of rebuilding East Asia should themselves be lacking in this appreciation. Mr. Wang is the apex of that pyramid which finds its basis in the populace craving peace, and it is he who serves as their mouthpiece. When he realized the inevitability of defeat and frankly asked for peace, a number of organizers of the C. C. Corps, led by Chou Fu-hai, silently worked in concert with him behind the scenes. An able propagandist, Chou, like many of his group, had had experience in organization work under the Kuomintang. Their activities resulted in securing to the Corps a membership of 70,000 within a year, with quarters at the Shanghai Branch of the Kuomintang. They likewise did much toward the suppressing of anti-Wang terrorism.

**Possibilities of the New Government**

The political power of Mr. Wang Ching-wei and the new National Government may be considered from various angles. In the first place his aims, which found expression in a plain but pithy slogan that has seized the minds of the Chinese people, have inspired in them a new hope. It is because his partisans number among them men of considerable talent that Mr. Wang has been able to cope with the forces arrayed against him. In 1931, when the Manchurian Incident broke out, he adopted the slogan "Negotiation and resistance." In the early stages of the present Affair, he urged "Sacrifice" and derisively called the Communist Eighth Route Army "an idle flying army." The activity which he and his party showed in propaganda work was amazing, and the effect which the statements he made after his resolute escape from Chungking exerted on the masses has no parallel in the history of the Republic.

Secondly, his political strength resides in the aptitude for organization possessed by him and his group, a result of years of experience in that field. The presence of the former Reformists in his camp is evidence sufficient of that talent, for in itself, the latter faction lacked comprehensiveness and force. It was necessary, therefore, to make up the deficiency by enlisting the cooperation of the C. C. Corps under Chou Fu-hai.

General Chiang Kai-shek attached no less importance to the matter of internal organization. This phase of his activities had been entrusted to two brothers, Chen Kuo-fu and Chen Li-fu, and the result was the coming into being of the C. C. Corps, amply financed and gradually to grow into the Chinese Fascist Party. The organization was, however, overpowered by the Blue Shirt Society

which positively insisted on resistance to Japan. The Blue Shirt Society is a well-known political group organized by the graduates of the Whampoa Military College, and with the original C. C. Corps it formed twin organizations, both of which came under General Chiang's control. However, as the hostilities against Japan were carried on by the Kuomintang in cooperation with the Communists, the Blue Shirts, as advocates of a pro-Communist policy, gained the ascendancy causing the C. C. Corps to recede into the political backstage with anti-Communism and peace as its platform. It was the more radical element of the latter group led by Chou Fu-hai, who had escaped from Chungking, which joined Wang to reorganize themselves in Kiangsu and Chekiang provinces under the banner of the Orthodox Kuomintang, and which at Shanghai in August last held the Sixth National Congress of the Kuomintang.

Lastly, Mr. Wang and his Government are able, as was the case with Chungking, to safeguard their political standing through the establishment of a "special service" whose duty it is to bring pressure to bear upon the people in order to unify their political ideas. Such a course of action is not easily understood in Japan, but it is absolutely necessary in China. The first attempt in this connection proved fruitless, but the advent of the C. C. Corps into its ranks turned failure into success.

Three years ago General Chiang Kai-shek operated this service under the guise of the Inquiry and Statistics Bureau of the Military Council, directed by Chen Li-fu, with Ting Me-tsun and Li Shih-chen occupying the more important posts. These two were originally Communists, but dissenting, they became affiliated with the C. C. Corps to eventually join the peace-and-national salvation movement, paving the way for Mr. Wang and his adherents by the work of the "special service."

## Military Strength of Wang Ching-wei

In respect of the military strength of the New Central Government, it must be admitted that, so far, it is unimportant. In fact, this characteristic of Mr. Wang's movement indicates how little he relied in the past upon the control of armed forces. Being nevertheless aware of Sun Yat-sen's motive in founding the Whampoa Military College, he felt the urgent necessity to inspire the younger officers of the new National Army with his principles and the enthusiasm for peace and national salvation; this led him to establish the Central Military Training Corps at Shanghai in December last. He himself became its Commander-in-Chief,

with Lieutenant-General Yeh Peng, formerly commander of the Wu-Han Garrison, in direct charge. There are now 1,200 members of the corps, divided into four battalions, one of which is the political training battalion composed of graduates of collegiate institutions who, after completing a three years' course of training, will be given appointments as officials of the Central Government. From the other three will come the officers, men who had held similar posts under the Chiang régime, and who, after two years' of training, are to form the backbone of Nanking's National Army.

## Financial Strength of Wang Ching-wei

The main sources of revenue of the Nanking Government are the Customs, Salt Gabelle and the Consolidated Tax. Last year the value of foreign trade was 4,200,000,000 *yuan*, 1,000,000,000 *yuan* representing exports and 3,200,000,000 *yuan* imports, of which 90 per cent of the outgoing and 82 per cent of the incoming passed through sea-ports coming under the rule of the new Administration. For this reason the Customs revenue alone is expected to reach a considerable sum. The greater part of the salt-producing regions as well as the industrial districts from which derives the Consolidated Tax, are in the control of the new régime. The rehabilitation of the war-stricken areas will serve to increase these receipts. As a consequence, Mr. Wang's Government will have little if any difficulty in meeting its disbursements. Deficiencies in any event will have to be raised by public loans. Nanking cannot as yet command the support of the wealthy Chekiang clique upon which General Chiang relied for his finances; but it would seem that their hitherto important role in the political manœuvring has dwindled somewhat. There are in Shanghai today idle funds to the amount of over 6,000,000,000 *yuan*, the risks accompanying the investment in the interior having likewise drawn other capital to the safety of the foreign Settlement by the Whangpoo. It will be no easy task to reorganize the flow of these funds into the hands of the people.

The Chekiang clique itself was at first a small one. Its influence grew only after Chiang's mastery of Nanking, and then of Shanghai. It is interesting to recall that Chiang was once a broker and had been connected with Yu Ya-ching and Chang Tsing-ching, the veteran revolutionist leader. Through their good offices, Li Ming had been made Vice-Minister of Finance in the then Nanking Govvernment, assisting T. V. Soong, the Minister. Judging from the history of this financial clique, there seems to be a fair possibility for the re-marshalling of Chinese capital for the purpose of develop-

ing the country. The establishment of the Chung Wah Bank is regarded by some as a harbinger of better days to come, while a project is on foot to found a Chinese banking syndicate.

Another matter for consideration relates to the funds remitted to China by Chinese residents abroad. During the past fifty years, this income saved China from economic breakdown despite the adverse balance of trade. If the sympathy of this class for peace and national salvation is sincere their assistance may be counted upon, for it was upon such soil that the young Mr. Wang planted the first seeds of revolution when he organized over a hundred branches of the Chinese Union. His wife, Chen Pi-chun, is of such extraction. It will therefore be interesting to watch the policy the new Government will pursue in respect of those Chinese domiciled abroad.

## Effects of Establishment of the New Government

The formation of a new Central Government upon a firm basis cannot but have considerable repercussions not only internally but also on the external relations of China. In the first place, how will it affect the Chiang Government? It is well known that in Chungking today there are many who advocate peace. Moreover, men imbued with Mr. Wang's ideals and at heart adherents to his cause, make up the greater part of the C. C. Corps. These are Chou Fu-hai's comrades. Then there are the members of the Political Science Society who concur with the Corps in principle. Even among the militarists not all are Blue Shirts. Many sympathizers too may be found in Europe and America, and among them the enthusiasm for peace is so great that it must needs have its reaction upon the indifferent and even the antagonistic elements among whom they find themselves.

Again, the reign of order in the areas under Nanking will not only spell peace and contentment for their inhabitants but will eventually permeate to the populace under the Chungking régime. This phase would indeed prove the most important of all.

Finally may be mentioned the effect on foreign relations. Needless to say, Japan and Manchoukuo will be the first nations to extend formal recognition to the new Central Government. There are countries with vital interests in East Asia who may at heart be willing to do the same. Much, therefore, will depend upon the policies which the New Government pursues in its relations with those countries.

# AGRICULTURAL SIDE-LINES IN THE CURRENT EMERGENCY

DEPARTMENT OF AGRICULTURE AND FORESTRY

SINCE the outbreak of the China Affair Japanese farmers have, with characteristic energy, shouldered the added burden of increasing the production of wartime foodstuffs, raw materials for industries, and many other essential articles, and, notwithstanding the scarcity of labour and materials, they are discharging their share of the task with commendable zeal.

The fact that there is a shortage of labour and materials, particularly in the rural areas, cannot be gainsaid, but the difficulties resulting therefrom are often exaggerated; for not only are most of the farmers' ancillary occupations carried on during the off-seasons, but the materials used are either home-made or are obtained from neighbouring districts. Moreover, they work on a modest scale, with tools and machines of the simplest design. Thus the farmers are by no means distressed; they are on the contrary thriving, thanks to the growing prosperity of the nation's economic life.

Normally, subsidiary work on the farm is taken up for the sake of supplementing the farm income, but that of today is undertaken for other reasons as well. Such side-lines now include the making of war supplies, prime articles for export, substitutes for certain imports and home products that have become scarce, so that the spare-time products of rural Japan today may generally be said to be in line with the national policy, while, at the same time, playing an important role in stabilizing the life of the home-front population in the country districts.

The following sections deal with some of the major side-lines popular among Japanese farmers today.

## Straw Products

Of the many varieties of straw products in Japan, the making of straw-bags, ropes, and mats, which are indispensable in packing, form the most popular spare-time occupation of the farmers.

Straw-bags and ropes are required by the Army for putting up rice and other foodstuffs in bales. They are also used by the Salt Monopoly Bureau and the fertilizer manufacturers.

The number and quantity of straw-bags and ropes so used every year reach an enormous figure. Straw-bags are also in great demand for storing and conveying coal and ores. In addition, the use of straw bags as substitutes for gunny-bags is increasing. In Manchoukuo, for instance, gunny-bags for putting up salt used to be imported from India, but lately Japan instead has been supplying vast quantities of straw-bags.

Straw mats are required by the Army, too, and as they are of general use in packing, the demand will increase as economic conditions improve and merchandise begin to move more rapidly.

Thus it will be seen that the growing demand for straw products is a welcome source of income to the farmers, averaging from 3 to 5 yen a day per household. The production of straw-bags, ropes, and mats realized no less than 53,000,000 yen in 1937, and 67,000,000 yen in 1938. Despite the present increase in production, the supply cannot keep pace with the demand.

But prosperity in this particular side-line is now threatened on account of last year's drought, which greatly affected the securing of the raw material. It is feared, therefore, that output this winter may not come up to the yearly average. Since the farmers themselves require straw for their own use, further efforts must be made to ensure an adequate supply of straw goods to meet military as well as general requirements.

## Rabbit Raising

Rabbits bred in Japan for fur are of the white, brown, and silver-grey varieties. Up till the outbreak of the China Affair approximately 2,000,000 yen worth of Japanese rabbit furs were exported to the United States, but thereafter this lucrative trade has been discontinued, in order to divert as many pelts as possible to meet the Army's requirements, which rose phenominally. Following the outbreak of the Sino-Japanese hostilities rabbit rearing received the whole-hearted encouragement of the Department of Agriculture and Forestry as well as of the local agricultural associations, with the result that production of furs in 1939 soared to the 7,000,000 yen mark. Notwithstanding this huge increase the combined supply of rabbit and hare furs still falls far short of demand.

So urgent, indeed, is the demand that not only farmers, but elementary and agricultural schools are now engaged in rabbit farming, as are the families of those serving with the colours.

With a view to preventing the unrestricted slaughter of rabbits for meat, especially during the breeding season in summer, the De-

partment of Agriculture and Forestry has promulgated, in August 1939, the Regulations for Restricting the Slaughter of Rabbits, which provides for a close season as from May 1st to October 21st. The Government have further inaugurated a policy of conservation by promulgating, in November, 1936, the Regulations for Restricting the Use of Rabbit Fur, which prohibits use of rabbit fur on women's and children's coats and the like, and for manufacturing soft hats.

In districts where rabbits are abundantly reared, slaughtering, skinning and drying are jointly carried on through arrangements made by the agricultural associations and the rabbit rearing associations for the benefit of the breeders. Furs thus produced are supplied to the Army through the agricultural associations. This practice is also recommended for districts where rabbit raising is not yet widespread. It eliminates the middlemen and ensures a fair, standard price for the pelts.

## *Mitumata* and Paper-Mulberry

*Mitumata* and paper-mulberry are materials from which Japanese paper is made. Prior to the China Affair, Manila hemp was used as pulp, imports of which amounted annually to some 9,000,000 yen, but since the hostilities commenced the imports dwindled to about half the above amount. On the other hand, the demand for Japanese native paper continues to increase both at home and abroad, so that a greater production of *mitumata* and paper-mulberry is urgently required. Paper used for bank-notes, bonds, bills, etc. and copying-paper for export, must be manufactured from *mitumata*, and as the demand for this kind of paper has recently multiplied due to economic prosperity, the price of *mitumata* has lately shown a remarkable advance.

According to a local paper in Simane prefecture last autumn, the price of *mitumata* in the producing centres in Kochi prefecture has jumped to over 60 yen per ten *kan* (37.5 kilograms) from about 40 yen before the China Affair, with the result that villagers have had the good fortune to see their deposits in the village credit association swell to a minimum of 2,000 yen per family, and in some cases even to as much as 20,000 yen! In consequence, the local authorities are said to have urged them to buy national bonds.

The above instance serves to indicate how much the demand for *mitumata* has grown. Accordingly, an increase in production is deemed of the utmost importance and the Department of Agricul-

ture and Forestry has already budgeted for an appropriate sum for this purpose in the 1940-41 fiscal year.

## Floss-Silk

Floss-silk is made from waste cocoons and dupion cocoons, which are the by-products of sericulture, and the making of it constitutes a delightful side-line for female members of farming families.

The production of floss-silk in 1937, which amounted in value to 3,000,000 yen, rose to 5,000,000 yen in 1938, with the recent increase in demand in Manchoukuo and North China, stimulated by the outbreak of the China Affair which multiplied the general as well as the military demand. In the Army floss-silk is used for lining greatcoats for protection against cold, and in making warm caps. The Army generally buys floss-silk and processes it, but finished floss-silk goods, such as caps and overcoats are also supplied from floss-silk producing centres.

The supply of floss-silk is at present inadequate to meet the general demand, let alone military requirements, so that increased production is encouraged. The agricultural associations are rendering valuable service by collecting floss-silk and their products from the producers and sending them to the Army on contract. The association also assists in selling the products outside the Army.

## Japanese Isinglass

Japanese isinglass, a product peculiar to Japan, is made from a kind of seaweed, *gelidium amansii*. There are two kinds of isinglass, one is thready and the other square. The total production of both types is valued at 10,000,000 yen a year, about two-thirds of which consists of the thready kind which is almost all exported. In Europe and America Japanese isinglass is chiefly used for making jellies, and as an effective but harmless laxative. It is also used in making vaccine and germiculture, in mangling textiles, in making medicinal wafers, and in clarifying beer and wine, etc. In the South Seas *gelidium* jelly made from Japanese isinglass is relished as a cooling refreshment.

Thus the various uses to which isinglass may be put, has created for it a world-wide demand, and its exports are increasing steadily. Isinglass, however, cannot be manufactured anywhere in Japan; places suitable for its production being limited to a few districts only. Moreover, the fact that *gelidium amansii* had not been so plentiful, has hitherto precluded the production of isinglass on a

larger scale; but lately the Department of Agriculture and Forestry has urged that greater efforts be made in procuring *gelidium amansii*. This, together with the recent progress in the cultivation of seaweed by people living on the seaboard, points to further development in the isinglass industry.

## Other Side-lines

Among other side-lines undertaken by Japanese farmers may be mentioned that of making dried slices of sweet potato, used as material for the manufacture of absolute alcohol which is being used as an admixture to conserve gasoline. Sweet potatoes are grown in most parts of the country, and the making of the dried slices is being increasingly carried on as a suitable side-line for farmers, so much so that the production of starch from sweet potatoes has been all but neglected.

Pickles such as pickled radishes and *fukujin* pickles (sliced vegetables preserved in soy sauce), and groceries such as vermicelli and frozen bean-curds are foodstuffs that can be made gainfully by farmers during their leisure. These are the articles which the Army requires today.

# RESTRICTIONS ON THE EMPLOYMENT OF YOUNG AND JUVENILE WORKERS

DEPARTMENT OF WELFARE

REFERENCE has been made in previous numbers of this GAZETTE to the enormous increase that has taken place in the demand for workers in all branches of industry since the outbreak of the China Affair. This tendency will be further accentuated as the plans for industrial expansion in the yen-bloc countries of Japan, Manchoukuo and China are put into execution. Such a demand will have to be met at least in the essential industries, and all difficulties of whatever nature will have to be surmounted in order to accomplish the ultimate purpose of the present Affair. The Government have established, since 1939, a scheme mobilizing workers in order to maintain equilibrium in the supply and demand and distribute labour where most needed in the interests of national policy. In compliance with this, the Ordinance for Restricting Employment of Young and Juvenile Male and Female Workers has been issued by virtue of Article 6 of the National General Mobilization Law and put into force from March 1, 1940.

## Persons Coming under the Restrictive Measures

The age limit of workers whose employment shall be restricted under the new Ordinance is from 12 to 30 in the case of males, and from 12 to 20 in the case of females. They are referred to in the Ordinance as "young and juvenile workers"[1] (Article 2). Employment of men and women above the maximum ages remains unrestricted according to its provisions. Boys and girls under the minimum age of 12 do not come under the Ordinance until they reach that age, when their continued employment is deemed a new employment and coming within the purview of the Ordinance (Article 2).

## Exception to the Restrictions

The following persons are exempt from the application of the restrictive provisions without regard to the age limitations stated above:

[1] Hereinafter to be designated as "male" or "female" workers as the case may be.

(1) Graduates of, or those who finished the required courses of study in universities, preparatory departments of universities, higher normal schools, higher schools, colleges, professional institutes, normal schools and such other schools or training institutions as are designated by the Minister of Welfare in the Departmental notification (Section 1, Article 2).

These exemptions arise from the fact that the categories named are not fitted to take their place in the list of general workers in munitions and related industries and their employment as such is rather exceptional.

It may be relevant to mention here that those whose training has been peculiarly in the commercial field of activities, and graduates of agricultural colleges or of the schools of fishery, having specialized in those branches of study, are likewise placed outside the restrictions imposed by the present Ordinance.

(2) The graduates who are mentioned in Article 1 of the Ordinance Restricting School Graduates, and who do not come within the purview of Section 1, Article 2 of the present Ordinance (Section 2, Article 2).

Since the employment of such persons is restricted in number by the aforementioned Ordinance, no restrictive provisions are necessary in the present Ordinance so far as they are concerned.

(3) Those who have passed such examinations, or who have received official approval or licence as to their competency, as specified by the Minister of Welfare in the Departmental notification (Section 3, Article 2).

(4) Other persons specially designated by the Minister of Welfare (Section 4, Article 2). Article 1 of the Regulations for the Enforcement of the Ordinance gives the categories of such other persons as :

(a) Wounded or disabled soldiers, sailors and others who have incurred such disabilities and/or illnesses while on active service, and to the extent stated in Article 24, Paragraph 2 of Article 24 or Article 31 of the Ordinance for the Enforcement of the Pension Law (Section 1, Article 1 of the Regulations pertaining to the Ordinance).

(b) Those who, upon examination, show signs of ill-health or physical disorder and have been deemed unfit by the Director of the employment bureau. To such persons, every facility should be extended for employment in any enterprise suitable to their faculties.

## Manner of Effecting the Restriction

All male workers between the ages of 12 to 30 inclusive, who are

not exempt from the application of the present Ordinance, shall not be engaged except when specially authorized under Article 3 which prescribes as follows :

(1) Where the number of male and/or female workers in one employment is short of the number recognized by Ordinance, the employer may engage exactly the number required to make up the deficiency (Section 1, Article 3).

" The number recognized by Ordinance " signifies 70 per cent of the number of such workers[2] as at December 31, 1939 (Paragraph 1, Article 2 of the Regulations) ; which limitation applies separately to each factory, workshop, office, retail store or wherever male and/or female workers of from 12 to 30 years of age may have found employment. Where two or more places of work come under one ownership, each will be considered a distinct unit under the terms of the Ordinance.

In calculating the number representing the 70 per cent indicated in the preceding paragraph a fraction must be counted as one (Paragraph 2, Article 2 of the Regulations). Any employer who at the end of 1939 had less than 4 such employees may not add to that number but may replace at any time the vacancies that occur.

The object of these restrictive measures is not to bring about an immediate decrease in the number of workers already employed to the level indicated (i.e. corresponding to 70 per cent of the number at the end of 1939), but more truly, to prevent any replacements on whatever grounds when that level has been attained, exception being made in the matter of those male workers called to the colours. Their absence while on active service will not count against their re-employment upon their return to civil life ; neither will the employer be construed to have lost their services under the term of this Ordinance. In fact, should the number of male workers so called (to the colours) reduce to under the 70 per cent level, explained above, the number of workers remaining behind, the employer shall have the faculty of making up the deficiency to the 70 per cent mark and continue to regard those taken by military service as still in his employ (Paragraph 2, Article 2 of the Regulations). After the rehabilitation of those called to the colours, however, the general rule governing the number of workers and the filling up of vacancies shall again apply.

(2) Where the work engaged in has been specially designated by the Minister of Welfare or has been sanctioned by the prefectural

[2] Hereinafter to be referred to as " the 70 per cent level," or " level."

governor in accordance with the provisions of the Ordinance in regard to the engagement of workers (Section 2, Article 3 of the Ordinance).

A notification of the Department of Welfare gives the enterprises so designated, which include enterprises in connection with munitions industries and those coming under the productive-power-expansion programme or pertaining to the manufacturing of goods for exports, or again important enterprises connected with the execution of current national policies. Sanction of the prefectural governor is obtainable for the engagement of male workers without restriction of number where the work is one that has been designated by the Minister of Welfare. In these circumstances the prefectural governor is empowered to place whatever restrictive conditions of employment he may deem fit (Article 4 of the Regulations), and fix the period of employment with each employer. This period, upon expiry, may be renewed upon application by the employer. Any employer desiring the gubernatorial sanction above referred to, must apply for it through the employment bureau of the district in which his place of business is situated. Should such a district be outside the limits of Japan proper, the application will have to be addressed directly to the governor of the prefecture in Japan in which the head office is situated; or if no main office exists in Japan proper, then to the prefecture where the greatest number of engagements of workers is made (Article 3 of the Regulations).

Any irregularities or false declarations which may subsequently be discovered in an application renders it liable to cancellation by the prefectural governor by virtue of Paragraph 1, Article 5 of the Ordinance. But in the case of work which has been designated by the Minister of Welfare and was so designated on the date of the enforcement of the Ordinance, the employer is given 60 days' grace in which to file a new and correct application (Paragraph 2, Supplementary Provisions of the Ordinance). During this period of 60 days, the said employer is at liberty to engage as many male workers and as unrestrictedly as he would have prior to the promulgation of the Ordinance. Failing the renewal of his application, he shall be deemed to have reverted to the status of an ordinary employer (i.e. one who does not come under the category connected with work designated by the Minister of Welfare) and the work with which he is connected shall become subject to the restriction of 70 per cent as in the case of any employment not specially designated by the Minister of Welfare.

(3) Where an employer not connected with work that has been designated by the Minister of Welfare wishes to engage the services

of such number of male workers as previously sanctioned by the competent director of the employment bureau by virtue of the provisions of the Ordinance (Section 3, Article 3).

Such a condition may arise in the case of an employer who, at date December 31, 1939, did not have any of this category of workers in his employ; or otherwise, if he desires to fill any vacancies that may occur after the said date, even though the number of such workers as are still in his employ has not fallen to the 70 per cent level. He will then be required in either of the above cases to obtain sanction in respect of the engagement of such male workers as he needs either as new workers or to fill the vacancies that have occurred, and up to the number specified by the director of the employment bureau within whose jurisdiction is situated the place of his business.

In the case of an employer who, at date December 31, 1939, did not have any male workers in his employ and who, after the said date, desires to engage such workers, he shall be required to obtain the sanction of the director of the employment bureau within whose jurisdiction is located his factory, workshop, office or retail store before making any engagements (Article 5 of the Regulations). Any irregularities or false declarations which may subsequently be discovered in his application to the director of the employment bureau for such sanction will render the application liable to cancellation (Paragraph 2, Article 5 of the Ordinance).

(4) Where an employer wishes to reinstate in his employ any male workers returning from military service whose contracts for employment with him actually expired during the period of military service; or those workers who, having been called to the colours, are rejected as unfit and seek re-employment within the three months following their rejection (Section 4, Article 3 of the Ordinance).

The re-instatement in their employment of those who have completed their military service, and who, *ipso facto* were not considered as having left their original employment, is placed outside the purview of the Ordinance, as prescribed in the Law for Protecting the Employment of Men under Enlistment.

(5) All other cases prescribed by Ordinance (Section 5, Article 3 of the Ordinance).

Article 7 of the Regulations for the enforcement of the present Ordinance designates the following cases of exemption from the restrictive provisions in respect of the employment of male workers:

(a) Where such workers are employed by the day (Section

1, Paragraph 1, Article 7 of the Regulations). But the same shall not be continuously employed for more than 30 days (Paragraph 3, Article 7 of the Regulations).

(b) Where such workers are employed for a duration of less than 30 days (Section 2, Paragraph 1, Article 7 of the Regulations). The same shall not be employed for more than the number of days fixed in the first place (Paragraphs 2 and 3, Article 7 of the Regulations).

(c) Where such workers have been engaged with the sanction of the director of the employment bureau and in respect of urgent or special work or for any other specified reason (Section 3, Paragraph 1, Article 7 of the Regulations). On the grounds of strict necessity which has to do with the efficient execution of any particular work, or for any other specified reason, and subject in each case to the sanction of the director of the employment bureau, an employer may engage male workers under this provision, if not, under the provisions contained in Section 3, Article 3 of the Ordinance. The application for such sanction shall then be made to the director of the employment bureau within whose jurisdiction is situated the applicant's factory, workshop, office, retail store or other place of business.

(d) Where an increase of such workers has been ordered in accordance with the provisions of the Imperial Ordinance Concerning the Management of Factories and Workshops; or such factories or workshops as are supervised or under the control of the Minister of War or of the Minister of the Navy, as designated in the said Imperial Ordinance (Section 4, Paragraph 1, Article 7 of the Regulations).

(e) Where such workers are continuously employed in an enterprise which has been recently assigned to an employer or by which he came through any other cause.

(f) Where such workers are engaged with the sanction of the Minister of Welfare or of a prefectural governor, in respect to their number, to work in a district located outside the confines of Japan proper (Section 6, Paragraph 1, Article 7 of the Regulations). When the districts from which the workers originate belong to more than one prefecture, and the number of such workers exceeds 30, the employer is required to make application in the prescribed form to the Minister of Welfare; in other cases to the governor of the prefecture where workers are engaged (Paragraph 5, Article 7 of the Regulations).

## Restrictions on the Employment of Female Workers

In respect of the employment of female workers whose ages range between 12 and 20, with the exception of those placed outside of the restrictive measures for special reasons, such employment is limited to the work that has been specially designated by the Minister of Welfare, differing in this wise from the restrictions imposed in connection with male workers. A Notification of the Department of Welfare gives the list of those enterprises so designated as being: restaurants, places of entertainment, theatres, stores, etc. where employment is mostly reserved to females. The number of female workers that may be employed is regulated by the Ordinance only for the places indicated. Restrictive measures are generally similar to those applicable in the case of male workers.

The general rule which prevents an employer from supplementing the vacancies that occur after December 31, 1939, excepting where it is necessary to make up the deficiency to 70 per cent of the number employed on the said date, shall likewise apply in the case of the employment of female workers in enterprises designated by the Minister of Welfare (Section 1, Article 4 of the Ordinance).

In the case of an employer who had, at date December 31, 1939, no female workers in his employ; or where an employer deems it necessary after the said date to fill any vacancies that may occur before the 70 per cent level is reached, he is required to obtain the sanction of the director of the employment bureau in respect to the fixing of the number of such workers to be employed in the designated work (Section 2, Article 4 of the Ordinance and Article 10 of the Regulations).

## Formalities in regard to Applications and Other Matters

All applications made by virtue of the present Ordinance are required to be sent in the form prescribed by the Ordinance and separately to each director of the employment bureau, or prefectural governor, within whose jurisdiction is located the factory, workshop, office, retail store or any other place of business where male and/or female workers are employed.

An employer who at all times employs more than 5 workers in such work as has been designated by the Minister of Welfare is required to specially register their names in the prescribed form for each factory, workshop, office, retail store or other place of work; such registration must be accompanied by particulars regarding all engagements and dismissals. In the case, however, of those enter-

prises to which the Factory Law or the Mine Law may be applicable, the ordinary registration book will be considered as taking the place of the special register (Article 14 of the Regulations).

The Minister of Welfare, a prefectural governor or a director of an employment bureau is empowered to require reports from those employers of workers mentioned here (Article 7 of the Ordinance and Article 15 of the Regulations). A prefectural governor or the director of an employment bureau may at any time send his agent (or agents) to a workshop, factory, office, retail store or other place where male and/or female workers are employed in order to enquire into conditions of work and remunerations; such agent or agents will be required to display in every circumstance a badge as a means of identification (Article 8 of the Ordinance).

Because of the very special nature of such industries as agriculture, forestry, stock-raising, sericulture and fisheries, these are placed outside of the restrictive measures relating to the employment of male workers prescribed in the present Ordinance (Article 19).

Offenders against the provisions of the present Ordinance render themselves liable to the penalty of imprisonment for a period not exceeding one year, or to a fine not exceeding one thousand yen for each offence, in accordance with the provisions of Article 36 of the National General Mobilization Law.

# CURRENT TREND OF GOVERNMENT RAILWAYS

DEPARTMENT OF RAILWAYS

THE volume of passenger transportation in Japan, which had been steadily increasing by 7 to 9 per cent every year since the Manchurian incident of 1932, suddenly rose by 16 per cent in 1938, the second year of the China Affair—some of the monthly returns during the latter period showing increases of as much as 25 per cent over the corresponding figure for 1937. Statistics are as follows :

| | Index number of Passengers transported | Percentage of increase over the preceding year |
|---|---|---|
| 1932 | 100 | — |
| 1933 | 108 | 8.0 |
| 1934 | 117 | 8.6 |
| 1935 | 121 | 7.8 |
| 1936 | 136 | 7.5 |
| 1937 | 148 | 9.2 |
| 1938 | 172 | 16.3 |

This rapid increase is primarily due to present hostilities ; it differs accordingly from the natural increase pure and simple brought about by a rise in population resulting from the development of industry and the spread of culture. In reality, it betrays one phase of a growing Japan, a Japan which is in the midst of her endeavour to establish a new order in East Asia. The Department of Railways is, therefore, striving to overcome all difficulties by operating its services as smoothly as possible during this most important period of Japanese history.

## Transport between Japan and the Continent

Ever since the establishment in 1932 of Manchoukuo as a State, communications between the continent and Japan proper have become remarkably active, and the China Affair has only served to add considerably to this activity. Consider, for example, the case of the cross-channel service between Shimonoseki and Fusan : in 1937, the number of passengers increased by 60 per cent over 1932 ; in 1938 it was two and a half times the original figure ; in 1939, in keeping with the programme of constructing a new order in East Asia, the monthly increases ranged from 20 to 40 per cent over the

corresponding months of the preceding year. Consequently, in the good or busy seasons, overcrowding becomes so general that railway accommodation is withheld unless purchasers of tickets have been assigned beforehand their places on the ferry-steamers. Now that a new Central Government of China has been established in Nanking, it will no doubt stimulate another expansion in the volume of passengers between the two countries, which in turn, will react upon railway transportation in Japan; not only the Tokaido and the Sanyo main lines but also those to Niigata and Turuga will become increasingly congested with time. In order to relieve this expected congestion, the Government Railways are, as an expedient, increasing the number of passenger trains and carriages, and adjusting anew the time-tables. These measures are not of course sufficient in themselves; further endeavours must be made to increase the carrying capacity of the lines named. On the other hand, it is essential to systematize and complete the traffic routes to the continent.

## Sudden Increase of Home Traffic

Influenced greatly by the expansion of productive power since the outbreak of the present Affair, passenger traffic has enormously increased throughout the country; and as most of the travel is for long distances, express trains on the main arteries get more and more crowded. Again, with the programme for the expansion of productive power, many war and related industries have sprung up all over the country, causing a remarkable increase in the number of office workers and factory hands; this, together with the growing numbers of school children and older students going to and from schools and colleges have made travelling during the rush-hours almost unbearable. Thus, commuters in 1937 were three and a half times as many as in 1932; in 1938 the number was 5 times as great. During the same periods, the number of students and season-ticket holders had increased by only 50 and 60 per cent respectively. Furthermore, wartime conditions have created a pronounced tendency to group-travelling in connection with the military training of reservists and student-cadets, or having to do with compulsory labour service.

## Counter Measures

Such is the present condition of railway traffic and steamship service between Japan and the continent that it is imperative to

presently consider the measures to be taken in the near and distant future to meet the situation. The solution to this difficult problem lies in the improvement of the management in the first place, and in the increase of the transport facilities. The Department of Railways is utilizing all its equipment to the best of its ability in its endeavours to meet the added strain imposed by today's traffic conditions; but it must be realized that it has to surmount the difficulties occasioned by the restriction of materials and the control exercised over power and coal. In the circumstances, the measures adopted can only be temporary in their nature. Last autumn a revolutionary change in time-tables throughout the country was effected and the number of trains considerably increased. Further efforts in the same direction will be made this year. On February 1 a revision of rules concerning passengers' luggage took place in keeping with the needs of current emergency conditions.

## A Four-Year Counter-Plan

But the rising trend of railway travel will continue long into the future. To place a restriction upon tourist traffic would be but a negative way of countering the congestion and would ultimately bring about an unfavourable reaction such as the European countries experienced at the time of the Great War.

It is incumbent, therefore, upon the Department of Railways to take every disposition to meet the expansion in the demand for railway transportation, considering that railways have a direct bearing upon the development of national culture, industry and economy, more especially at this time when the country is occupied with the task of constructing a new order in East Asia. A four-year plan in this direction, paralleling the four-year productive-power-expansion plan, had been drafted and duly budgeted for in 1939. It provided for an expenditure of 120,000,000 yen on rolling-stock and 80,000,000 yen on track and workshop improvements—part of which programme has been carried out. As the projected renewals and improvements require some 900,000,000 yen, it will be seen how inadequate has been the original estimate in its relation to actual requirements. A way out of the deadlock arising in the inability of the main Tokaido and Sanyo lines to cope with the heavy passenger movements must be urgently found as these are the principal railway arteries in the country. A committee of experts has recommended the laying-down of a standard gauge, double-track line from Tokyo to Simonoseki so as to reduce the journey to 9 hours; the scheme is now being carried out and will be completed in 15 years.

## The 26th Centennial

Celebrations in connection with the 26th Centennial of the Accession to the Throne of Emperor Jimmu, founder of the Japanese Empire, will result in mass movements to the holy places of Yamato. It is difficult to estimate the number that will be making pilgrimages either in groups or individually; but it will not be less than 1,500,000 in the former case and 3,500,000 in the latter. To properly regulate the transportation of these added numbers and thus avoid confusion, it will be necessary to plan special routes, etc. Round tours of the holy places comprising Nagoya, Kusatu, Kyoto and Osaka, within the circumference formed by the Yamada and Unebi districts as centre, will be organized and special through tickets issued. The arrangements will be in the sole charge of the Japan Tourist Bureau. The tickets will be good for travel either by the Government Railways or those of the following private companies: Daiki, Sangu, Daitetu and Nara. This measure is intended to eliminate for the passenger the difficulties that he would otherwise have to contend with; on the other hand the railways themselves will benefit by the greater ease with which traffic can be subjected to control in the circumstances.

# LEGISLATIVE AND BUDGETARY MEASURES AS APPROVED BY THE 75TH DIET[1]

CABINET INFORMATION BUREAU

DESPITE the change of Cabinet which took place during its New Year recess—an occurrence that caused no small inconvenience, at least from the point of view of business—the 75th session of the Diet was outstanding through the success it achieved in the approval by both Houses of 133 legislative, budgetary and other measures out of the 135 which were proposed by the Government—a result worthy of "the 3rd wartime session of the Diet."

Below are given a list of the major laws enacted, and the 1940–41 budget as approved for both the General and Emergency Military Accounts.

Of especial note are those laws relating to the reform of taxation, the nature and contents whereof have already been explained in the previous number of the GAZETTE. Judging from the fact that there are 45 of these measures, of which 37 pertain to national and 8 to local taxation, it will be seen how comprehensive and significant the reform has been.

Legislation having an important bearing upon the execution of current national policies, comprise the laws for ensuring productive power and for adjusting the relation between supply and demand of materials, the most noteworthy among them being the Law Pertaining to Temporary Measures Concerning Rice and Cereals; Law Governing the Japan Fertilizer Company, Limited; Law Relating to the Special Account for Regulating Supply and Demand of Charcoal; Law Governing the Organo-Synthetic Industry; and Law for Control of Distribution of Coal. With regard to the promotion of foreign trade, enactment was made of the Laws for Compensating Losses Arising from Accommodating Funds for Exports or for Manufacturing Export Goods; for the Control of Export Woollen Goods; and for Governing the Japan Export Agricultural Product Company, Limited.

Among the cultural and social welfare measures are the Law Pertaining to Physical Strength of the People and the National Eugenics Law. Revisions of existing laws having to do with the

[1] It was in session from December 23, 1939, to March 27, 1940.

charging to the National Treasury of municipal expenditure in connection with compulsory education and on account of emoluments to primary school teachers, cannot be overlooked by careful observers of educational affairs.

As regards budgetary measures, they were approved as submitted, reflecting in this wise the wholehearted support by the nation of the governmental policies in dealing with the development of the new situation in East Asia. Accordingly, the 1940–41 budget estimates, including the main and supplementary budgets relating to the General Accounts, will be given here in their final form with a few explanatory remarks.

Estimated revenue and expenditure for the General Account are balanced as follows:

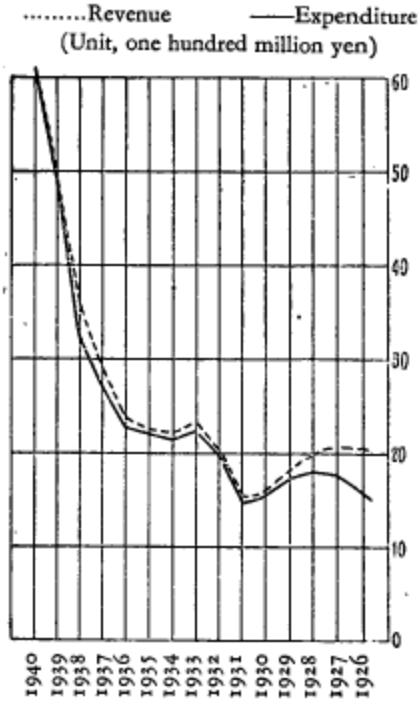
| | (In yen) |
|---|---|
| Main budget | 5,822,962,000 |
| Supplementary budget No. 1 | 57,684,000 |
| Supplementary budget No. 2 | 216,684,000 |
| Total | 6,097,331,000 |

This is larger by 1,214,681,000 yen than the budget for the previous year. The subjoined table and chart show the trend of actual revenues and expenditures (those for 1939–40 and 1940–41 being estimates) during 15 years, from the fiscal year ending March 31, 1927, to 1940–41.

REVENUES AND EXPENDITURES FOR FISCAL YEARS, 1926–27 TO 1940–41

| Year | Revenue (Million yen) | Expenditure (Million yen) |
|---|---|---|
| 1926–27 | 2,056 | 1,578 |
| 1627–28 | 2,062 | 1,765 |
| 1928–29 | 2,005 | 1,814 |
| 1929–30 | 1,826 | 1,736 |
| 1930–31 | 1,596 | 1,557 |
| 1931–32 | 1,531 | 1,476 |
| 1932–33 | 2,045 | 1,950 |
| 1933–34 | 2,331 | 2,254 |
| 1934–35 | 2,246 | 2,163 |
| 1935–36 | 2,259 | 2,206 |
| 1936–37 | 2,372 | 2,822 |
| 1937–38 | 2,914 | 2,709 |
| 1938–39 | 3,594 | 3,288 |
| 1939–40 (estimated) | 4,836 | 4,882 |
| 1940–41 (estimated) | 6,097 | 6,097 |

CHART SHOWING ESTIMATED REVENUES AND EXPENDITURES FOR FISCAL YEARS 1926-27 TO 1940-41




It will be remarked how enormously the budget figures have grown in recent years. Examining in detail the estimated revenue for 1940-41, it may be noted that the tax receipts alone make up 51.9 per cent of the amount, while bond issues take up 31.3 per cent; the other 16.8 per cent come from the proceeds of Government enterprises and properties, and the funds transferred from the Special Accounts, etc. Taxes, it is estimated, will yield 916,793 thousand yen more than in the previous budget, due to the Reform of Taxation and the natural increases from other sources. Of the 1,906,542 thousand yen of bonds to be floated this fiscal year, 178,809 thousand yen represents the increase over last year's figure; but as the bonds to be issued on all the Special Accounts (which include the Extraordinary Military Expenditure) are reduced by 77,316 thousand yen, so that the total amount of bonds to be issued both for these and for the General Account will total 6,026,964 thousand yen, the real increase is only 101,493 thousand yen.

The estimated revenue for the General Account comprises the following:

| | (Thousand yen) |
|---|---|
| Taxes | 3,164,347 |
| Stamp duties | 107,088 |
| Proceeds from Government enterprises and properties | 456,263 |
| Funds contributed by or transferred from Special Accounts | 261,263 |
| Bonds | 1,906,542 |
| Surplus brought over from the previous year | 79,521 |
| Others | 122,304 |
| Total | 6,097,331 |

The estimated expenditure under the General Account classified by Departments is shown below:

| | (In yen) |
|---|---|
| Imperial Household | 4,500,000 |
| Foreign Affairs | 69,376,536 |
| Home Affairs | 521,912,792 |
| Finance | 1,902,357,002 |
| War | 1,275,046,480 |
| Navy | 1,029,075,517 |
| Justice | 57,365,686 |
| Education | 188,068,086 |
| Agriculture and Forestry | 266,116,376 |
| Commerce and Industry | 166,051,365 |
| Communications | 400,841,646 |
| Overseas Affairs | 63,996,024 |
| Welfare | 152,623,924 |
| Total | 6,097,331,434 |

The estimated expenditure for the Emergency Military Account is 4,460 million yen, which, taken together with the main budget amounting to 5,822,962 thousand yen, gives a total of 10,282,962 thousand yen. The addition of supplementary budgets 1 and 2 of the General Account brings the grand total to 10,557,331 thousand yen. In the latter amount, however, a sum of 600 million yen to be transferred from the General Account is included; the deduction of this sum, therefore, leaves 9,957,331 thousand yen, which is the net total of the budget estimates for the 1940-41 fiscal year.

The amount referred to in connection with the Emergency Military Expenditures representing 4,460 million yen is technically called the third supplementary budget for the Emergency Military Account, and the total amount of the three supplementary budgets aggregate no less than 16,455,077 thousand yen. The size of this expenditure will be more clearly seen when contrasted with those relating to the four war periods indicated below.

EXPENDITURES OF FOUR WARS ENGAGED IN BY JAPAN

| | (Thousand yen) |
|---|---|
| Sino-Japanese War (1894–1895) | 200,475 |
| Russo-Japanese War (1904–1905) | 1,508,472 |
| First European War | 881,661 |
| Manchurian Affair | 1,931,250 |

In addition, there are 47 Special Accounts, including those for Government enterprises, which will be explained in future numbers of the TOKYO GAZETTE as the occasion arises.

# TEMPORARY ALLOWANCES FOR WORKPEOPLE

DEPARTMENT OF WELFARE

IN October 1939, the Ordinance Pertaining to Temporary Measures Concerning Wages[1] was promulgated owing to the necessity of maintaining low prices in the operation of wartime economy. The Ordinance prohibited the raising of wages above the level obtaining on September 18, 1939, but in spite of such precautionary measures, the prices of rice and other necessaries of life have risen considerably. This situation has caused the Government seriously to consider means whereby the difficulties experienced by the small wage-earner in supporting his family may be alleviated through the proper functioning of the Ordinance. Since, however, the increase of wages has a direct bearing on the prices of commodities, the proposed measure was subjected to a searching examination before approval was granted by the Cabinet Council on February 16, to pay allowances to certain classes of workers.

These temporary allowances are to be paid by the employer to his employees, and, as prescribed in the Ordinance, he must first obtain the sanction of the prefectural governor before distribution can be effected. When the matter was decided upon by the Cabinet Council, the prefectural governors and the directors of bureaus for the supervision of mines were notified by the Director of the Bureau of Labour regarding the principles governing the sanction, the essential points of which are as follows :

As the allowances are intended solely for supplementing temporarily the living expenses of workers who find it difficult to support their families, the remedy would do more harm than good, if such grants should result in a vicious circle of higher wages and still higher prices. Hence the importance of restricting allowances of this nature to the minimum.

Accordingly, the worker who is entitled to benefit by this Ordinance must be a worker who has to support a family in which there are one or more children under 14 years of age ; whose earnings do not reach Class II (2.05 to 2.35 yen per day) of the standard wage-rates prescribed in Article 3 of the Health Insurance Law ; or whose average monthly earnings is below 70 yen. The allowance applies only to one or more of the child dependents, and does not include

[1] For the full text of the Ordinance, see TOKYO GAZETTE, February, 1940.

the wife or the parents of the couple. Class II of the standard wage-rates or monthly earnings of 70 yen means the average income exclusive of bonuses given for a period of more than three months—that is to say, half-yearly bonuses, so that the amount of earnings prescribed is the same as the average amounts actually received monthly.

The amount of the allowance shall not exceed the product resulting from multiplying by 2 yen the number of workers, each of whom is receiving less than 70 yen a month. In other words, if in a factory 500 workers are employed, of whom 200 have each a child or children under 14 years old to support, and are each receiving less than 70 yen a month, then 200 multiplied by 2 yen, that is, 400 yen, is the amount to be distributed monthly among the 200 workers. In distributing allowances, the number of dependents to be supported and the amount of the workers' earnings must be taken into consideration. As a consequence, those with a larger number of children to support may receive over 3 yen, while those with a smaller number of child dependents may receive only about one yen.

These allowances, being of a purely temporary nature to meet emergency needs, shall not be included in the regular or contracted pay, but shall be distributed as a purely temporary grant. Moreover, it is preferable that such grants-in-aid should be distributed in kind, or that daily necessaries should be made available at cheap prices, rather than to pay the allowances in cash, which might lead to a pernicious rise in prices.

In the case of an employer who has raised the wages of all his workers before September 18, 1938, or where present wages are particularly high in comparison with similar wages in the same locality, this special allowance shall not be provided in accordance with the spirit of the Ordinance.

# ON THE QUESTION OF THE NETHERLANDS EAST INDIES

## I

—Reply of Mr. Hachiro Arita, Minister for Foreign Affairs, to Newspapermen, April 15, 1940—

On being questioned by newspapermen concerning Japan's position in regard to the possible involvement of the Netherlands in the European war and its repercussions in the Netherlands East Indies, the Foreign Minister, Mr. Hachiro Arita, replied as follows:

With the South Seas regions, especially the Netherlands East Indies, Japan is economically bound by an intimate relationship of ministering to one another's need. Similarly other countries of East Asia maintain close economic relations with these regions. That is to say, Japan and all of these countries and regions together are contributing to the prosperity of East Asia through mutual aid and interdependence.

Should the hostilities in Europe be extended to the Netherlands and produce repercussions, as you say, in the Netherlands East Indies, it would not only interfere with the maintenance and furtherance of the above-mentioned relations of economic interdependence and of co-existence and common prosperity, but also give rise to an undesirable situation from the standpoint of the peace and stability of East Asia. In view of these considerations, the Japanese Government cannot but be deeply concerned over any development, accompanying the aggravation of the war in Europe, that may affect the *status quo* of the Netherlands East Indies.

## II

—Statement of the Foreign Office Spokesman, April 18, 1940—

We have received a report from our Minister at the Hague, Mr. Itaro Ishii, to the following effect:

> Minister Ishii called on the Netherlands Foreign Minister, Mr. van Kleffens, on the 16th of April and explained to the latter the attitude of the Japanese Government with regard to the question of the Netherlands East Indies. The Netherlands Foreign Minister expressed the Netherlands Government's appreciation of the Japanese Govern-

ment's attitude and at the same time stated that the Netherlands Government had not sought nor would seek in the future any country's protection of the Netherlands East Indies, and that the Netherlands Government were determined to refuse any offer of protection or intervention of any kind which might be made by any country.

The Netherlands Minister at Tokyo, General J. C. Pabst, called on the Foreign Minister, Mr. Hachiro Arita, today and confirmed the above report of Minister Ishii.

# THE CHINA AFFAIR AND WORLD DEVELOPMENTS FROM NOVEMBER, 1938 TO DECEMBER, 1939

—Reviewed in Chronological Order—

II

CABINET INFORMATION BUREAU

## 1939–July

*July 1* Telephone service connecting Japan and China is opened.

Tingtao, Shantung Province, falls to Japanese forces.

A special municipality is established at Amoy.

Japanese blockade of foreign concessions in Tientsin is further consolidated.

Japanese Government makes census of gold holdings in the country.

Law for Arbitration of Domestic Disputes comes into force.

*July 2* Japanese Army delivers general attack on Outer Mongolian army in the Khalha Valley.

*July 3* Tsaochow in Shantung is occupied by Japanese forces.

Soviet Russia hands note in answer to Great Britain's.

Danzig Volkstag promulgates Expropriation Act.

*July 4* Japanese-Manchoukuo economic conference reaches an agreement on Japanese immigration into Manchoukuo.

*July 5* Japanese forces operating in Shansi Province occupy Tsin-hsien.

Japanese forces press Soviet-Mongolian armies back to the Khalha River.

A research institute is established by the Department of Justice to study the improvement of the Judicial system in Japan.

China Affairs Council is established as an advisory agency to the China Affairs Board.

Japan is formally notified by Siam of change of the national name to "Thailand."

*July 6* The Commander of the Imperial Navy in North China is given as Vice-Admiral Masaji Hibino.

*July 7* Second anniversary of the China Affair is observed.

*July 8* Japanese forces occupy Barshagal and Noro heights in Outer Mongolia.

Germany and Italy conclude an agreement dealing with minorities.

*July 10* Wang Ching-wei publicly renounces all relations with Chiang Kai-shek. The Chung Hua Jih Pao, Shanghai Chinese newspaper, is revived as an organ of the Wang Ching-wei Peace group.

British Prime Minister Neville Chamberlain again confirms British determination to aid Poland.

*July 11* Discussion on the revision of the Neutrality Act is postponed to the next session of U. S. Congress.

*July 12* Commercial treaty is concluded between Great Britain and Rumania.

*July 13* Danzig representatives confer with Herr Hitler.

*July 15* The Kiung-ya Provisional Government is established in Hainan Island.

## Anglo-Japanese Conference

Anglo-Japanese conference opens in Tokyo.

The Japanese Government enforces

Ordinance for Calling Civilians to National Services.

Board for the Protection of Wounded Soldiers is established in Tokyo.

*July 17* Negotiations between Great Britain, France and U.S.S.R. are re-opened.

*July 19* Tsehchow, Shansi Province, is occupied by Japanese forces.

*July 20* Exchange rate of Chinese legal tender falls to 4 pence.

*July 21* Soviet Government announces the revival of Soviet-German commercial negotiations.

German Government proclaims the reversion of Danzig to Germany.

*July 22* Japanese Foreign Minister and British Ambassador reach an agreement on the fundamentals for settlement of the Tientsin issue.

*July 23* Albanian Army takes oath of allegiance to the King of Italy.

*July 25* Manchoukuo puts Defence Law into force.

Great Britain conveys her acceptance to Soviet Russia to enter conversations on military matters.

*July 26* Japan sends notices to third powers of her intention to close the Chu-kiang (Canton) Railway.

### Japanese-American Commercial Treaty to be Abrogated

U.S.A. surprises Japan by notifying her decision to abrogate the Treaty of Commerce and Navigation of 1911, giving as reason that the treaty "contains provisions which need new consideration."

Egyptian forces concentrate on Libyan Frontier.

*July 28* Government of Thailand suppresses anti-Japanese movements in that country.

Anglo-Japanese Conference in Tokyo for a solution of the Tienstin issue strikes snag over economic questions, including the surrender of Chinese silver held in the British Concession.

*July 29* Trade agreement between Japan and Germany is provisionally signed at Berlin.

*August 1* Census of commodity holdings in Japan is taken.

*August 3* Provisional Government in Peking promulgates provisional law on currency and for controlling the export of foreign currencies.

*August 5* East Asia Shipping Company is established to control maritime transportation in consonance with the progress of construction of a new order in East Asia.

*August 9* Wang Ching-wei broadcasts from Canton "How to bring about peace to China."

British Foreign Secretary Lord Halifax warns Germany in connection with the Danzig issue.

*August 11* Japanese Government issues Cabinet Order on the establishment of a national service day for promotion of East Asia fixed for the first day of each month, to express thanks to the forces in China, to honour those who laid down their lives for this great cause, and for strengthening the home front.

Japanese oil companies in North Saghalien conclude contracts with the Soviet authorities.

*August 12* Anti-British meeting of representatives of the people from all North China is held at Tientsin.

*August 13* Conversations between Germany and Italy are ended.

Military negotiations are opened in Moscow between Great Britain, France and U.S.S.R.

*August 14* Imperial Army in South China notifies the Hongkong authorities of commencement of military operations on Anglo-Chinese frontier.

Anglo-Japanese Conference in Tokyo comes to a standstill and the Japanese military representatives from Tientsin is recalled.

*August 16* German-Polish frontier is closed.

Germany demands the immediate return of Danzig to Germany.

*August 18* Chinese banks in Hongkong stop purchasing Chinese legal tender notes.

Japanese Government establishes a research institute to study population problems.

### Germany and the U. S. S. R. Surprise the World

*August 19* Local government is formally established at Kiungshanhsien, Hainan Island.

German and Soviet Governments conclude a new commercial treaty.

*August 20* British and Japanese Governments issue in London and Tokyo simultaneously a communique in connection with the adjournment of Anglo-Japanese Conference in Tokyo.

*August 21* Japanese war-planes bring down 97 Soviet machines in an air battle over Lake Buir.

*August 23* Germany and U. S. S. R. sign a non-aggression pact.

Great Britain announces embargo on all important commodities in view of the imminent crisis in Europe.

*August 24* British Navy closes the port of Hongkong.

British Prime Minister Neville Chamberlain makes an important speech at the Cabinet meeting condemning German actions.

French Government promulgates an Emergency Expropriation Act.

German Government names Albert Forster, local leader of the Nazi Party, supreme head at Danzig replacing League High Commissioner.

*August 25* Blockade of French Concession at Hankow is lifted.

Japanese Government announces decision abandoning plans for dealing with European situation as a result of the German-Soviet rapprochement.

Great Britain and Poland conclude treaty of mutual assistance.

British Government promulgates the Emergency Powers (Defence) Act.

Italy orders general mobilization.

### Change of Japanese Cabinet

*August 28* The Hiranuma Cabinet tenders resignation to the Throne. General Nobuyuki Abe, receives Imperial command to form Cabinet.

German demands on Poland are promulgated.

*August 29* Grand assembly of Mongolian people adopts resolution to organize united régime for Mongolia.

Danzig placed under martial law.

German Government orders mobilization of East Prussia.

*August 30* Abe Cabinet is organized.

Vice-Admiral Isoroku Yamamoto is appointed Commander-in-chief of the Combined and First Fleets.

Polish Government issues order for general mobilization.

*August 31* Japan Airways Company is established to unify and promote aerial services in Japan.

Anglo-German negotiations regarding Poland fail.

Sixth Congress of the Kuomintang convenes at Shanghai and appoints Wang Ching-wei chairman of Central Executive Committee.

*September 1* Federal Autonomous Government of Mongolia is created with Prince Teh as head.

Wang Ching-wei reveals visit last June to Tokyo where he called on former Premier Baron Hiranuma, Prince Konoe and other Japanese leaders.

National Service Day for Promotion of East Asia is observed for the first time.

Polish-German conflict breaks out. British Army and Navy mobilized.

Danzig declares for reversion to Germany.

### Outbreak of Second European War

*September 3* Great Britain and France proclaim state of war with Germany.

Australia declares state of war with Germany.

British Government establishes Ministry of Information.

British steamer "Athenia" is torpedoed by German submarine off Scotland.

*September 4* Japanese Government proclaims policy of non-involvement in European conflict and to concentrate all efforts on the settlement of "China Affair."

Germany institutes wartime economic measures.

French Army commences operations on Western front.

*September 5* Manchoukuo announces adherence to Japan's policy regarding European war.

U.S. Government invokes Neutrality Act.

*September 6* Canada and the Union of South Africa declare state of war with Germany.

*September 7* The Renovation Government in Nanking and the Federal Autonomous Government of Mongolia declare neutrality in connection with European war.

War Cabinet organized in France.

German troops advance into Poland.

*September 8* The four assassins of Chen Hsi-ken is surrendered by British Concession authorities to Japanese gendarmerie at Tientsin.

The Provisional Government in Peking declares neutrality in European war.

*September 12* General Toshizo Nishio named Commander-in-Chief in China with Lieutenant-General Seishiro Itagaki as Chief of Staff; Lieutenant-General Yoshijiro Umezu appointed Commander of the Kwantung Army.

Anglo-French Supreme War Council meets in France.

*September 13* The Abe Cabinet enunciates its political programme.

*September 15* Truce is concluded between Japan and Soviet Russia at Nomonhan in Outer Mongolia.

*September 16* Imperial Navy advances up Yangtze River to Yochow in Hunan Province.

Japan and U. S. S. R. issue communique regarding truce in Outer Mongolia.

*September 17* Wang Ching-wei sends message to Chungking colleagues advising adherence to peace movement in China.

Soviet troops reported marching into Poland.

*September 18* General Gen Sugiyama, Commander of the Imperial Army in North China, is relieved by Lieutenant-General Hayao Tada.

Rumania denies right of sojourn to refugee Polish ministers.

German and Soviet Governments proclaim partitioning of Poland between them.

*September 19* Japanese Government decides to invoke provisions of the General Mobilization Law to check rise in commodity prices.

*September 21* Wang Ching-wei declares determination to realize peace and a constitutional government for China in cooperation with Nanking and Peking Governments.

Rumanian Prime Minister Armand Calinescu is assassinated by members of Iron Guard.

*September 22* Sixth meeting of joint committee of the Provisional and Renovation Governments of Chinese Republic adopts resolution supporting Wang Ching-wei's peace movement.

*September 24* Japanese force lands on shores of Tungting Lake.

*September 25* Admiral Kichisaburo Nomura installed as Minister for Foreign Affairs.

## The Fall of Warsaw

*September 27* Warsaw, capital of Poland, surrenders to German invaders.

*September 28* U.S.S.R. and Esthonia conclude an agreement of mutual assistance.

*September 29* Chungking prohibits circulation of Hwa-Hsing Bank notes.

Germany and Soviet Union sign a new agreement concerning partition of Poland.

*September 30* Imperial Ordinances are issued regarding enforcement of the National Mobilization and other important laws.

Polish Government is reorganized in France.

*October 1* General Nishio, Commander-in-Chief in China, establishes General Headquarters at Nanking and calls upon Chinese people to cooperate with Japan.

A new Motion Picture Law is put into force in Japan.

*October 2* British naval authorities in Shanghai announce withdrawal of 5 British gunboats from Yangtze River.

Japanese naval air forces raid Chengtu in Szechwan Province.

First Gubernatorial Conference under Abe Cabinet is convened in Tokyo.

Secretary of State Cordell Hull enunciates America's non-recognition of German conquest of Poland and her support of newly-established Polish Government in France.

*October 3* Lieutenant-General Yamada, Commander of the Imperial Army in Central China, calls on Wang Ching-wei in Shanghai.

War Minister General Shunroku Hata at Gubernatorial Conference, discloses figures of Japanese killed at Nomonhan as approximately 18,000.

*October 4* U.S.S.R. concludes a treaty of mutual assistance with Latvia.

*October 5* Siushui in Kiangsi Province is occupied by Japanese forces.

German troops enter Warsaw.

Conversations between U.S.S.R. and Turkey are revived.

Germany and U.S.S.R. agree upon demarcation of new frontiers.

*October 6* Herr Hitler in Reichstag speech proposes convocation of peace conference for Europe.

*October 8* National Congress Party in India again adopts resolution demanding Indian independence.

*October 9* Wang Ching-wei enunciates aim regarding reconstruction of China.

*October 11* Military agreement between U.S.S.R. and Esthonia is signed.

Barter agreement is concluded between Great Britain and U.S.S.R.

*October 12* Supreme council of Imperial Army commanders in China meets at Shanghai.

British Prime Minister Neville Chamberlain rejects Herr Hitler's proposal for peace.

Conversations take place between U.S.S.R. an Finland.

*October 13* Norway, Sweden and Denmark make overtures to U.S.S.R.

*October 16* Count Tadamasa Sakai is named Minister of Agriculture and Forestry in Abe Cabinet, succeeding Takuo Godo.

*October 17* Agreement on the Kulangsu (Amoy) Foreign Concession issue is signed.

Enshrining of souls of 10,379 men who sacrificed their lives in China held at Yasukuni Shrine.

Turkish Prime Minister M. R. Saydam proclaims dissolution of Turkish-Soviet conversations.

*October 18* Japanese and American landing parties withdraw from Kulangsu.

Six important Imperial Ordinances for control of prices and several other ordinances are promulgated to be enforced from October 20, 1939.

Red Army is reported as advancing into Esthonian territory.

Treaty of amity is signed between

Japan and Iran.

Conference of Kings of Sweden, Norway and Denmark, and President of Finland is held.

*October 19* Herr Hitler declares German annexation of Polish Corridor and Upper Silesia.

Treaty of mutual assistance is concluded between Great Britain, France and Turkey.

*October 20* His Majesty the Emperor personally pays homage at Yasukuni Shrine in Tokyo.

Airplane "Nippon" of the Tokyo Nichi-Nichi lands at Tokyo completing round-the-world flight.

*October 21* Russo-Japanese negotiations at Nomonhan are finally concluded.

*October 24* French warships withdraw from Yangtze River.

### Change of Japanese Exchange Policy

*October 25* Japanese Government decides to link Japanese currency with American dollar instead of Sterling. North China and Manchoukuo Government make similar decision.

*October 27* Bill to repeal arms embargo passes American Senate.

*October 31* Wang Ching-wei interviews with Commander-in-Chief General Toshizo Nishio and his Chief-of-Staff Lieutenant-General Seishiro Itagaki in Shanghai.

Supreme Council of U.S.S.R. is convened.

Italian Cabinet is reorganized.

*November 1* Wang Ching-wei calls on Vice-Admiral Oikawa, Commander-in-Chief of the Imperial Navy in China.

Japanese naval air units bomb Lishui, in Chekiang Province, and Nanning, in Kwangsi Province.

His Majesty the Emperor makes personal visits to the five high courts in Tokyo and grants a rescript on the occasion of the 50th anniversary of promulgation of Law Governing the Organization of the Law Courts.

*November 2* His Majesty the Emperor pays homage in person at Meiji Shrine, and honours by His presence games at the Meiji Shrine Stadium.

*November 4* Japanese naval air forces bomb Chengtu and nearby points in Szechwan Province.

Fengtai in Anhwei Province falls into the hands of Japanese forces.

### The Amended Neutrality Act Comes into Force

President Roosevelt signs the new Neutrality Act, the declarations for establishing combat areas and for closing U.S. ports to foreign submarines.

*November 5* Show-hsien in Anhwei Province is occupied by Japanese forces.

Provincial Government of Hupei is organized.

*November 6* Japanese Government raises official price of rice from 38 yen to 43 yen per koku to encourage releases by farmers.

*November 7* Lieutenant-General Norihide Abe killed in action near Shangyatze in Hopei Province.

Aggravation of diplomatic relations with U.S.S.R. causes Finnish Government to issue emergency defence measures.

H. M. King Leopold III of Belgium and Queen Wilhelmina of the Netherlands make joint proposal for arbitration in the European war.

*November 8* His Majesty the Emperor watches manœuvres of Imperial Guards Division on plains at Numazu.

Her Majesty the Empress pays homage in person at Yasukuni Shrine in Tokyo.

Field-Marshal H.I.H. Prince Kanin, Chief of the General Staff, returns from inspection tour of war fronts in China.

Bomb explodes in Munich beer hall

at Nazi celebration, after departure of Herr Hitler.

*November 12* Chungking Government convenes sixth general meeting of Central Executive Committee of the Kuomintang.

Wang Ching-wei issues further statement in connection with peace aims.

Diplomatic negotiations between U. S.S.R. and Finland are broken off.

British and French Government reject peace proposals of the King of Belgians and the Queen of the Netherlands.

*November 15* Japanese military and naval forces make surprise landing at Pakhoi in Kwangtung Province.

Peace and Reconstruction corps in aid of Wang Ching-wei's movement is organized in Swatow.

Meeting of Chinese Communist Party is held at Yenan in Shensi Province.

Governments of eight Indian provinces controlled by National Congress Party resign.

*November 16* Japanese forces enter Pakhoi and occupy Fangcheng.

Japanese Government raise prices of tobacco and cigarettes.

*November 17* Japanese forces operarating around Pakhoi, occupy Yamchow in Kwangtung Province.

Joint Supreme War Council of Great Britain and France adopts wartime economic measures for both countries.

*November 20* Municipal council is organized in Canton to replace Peace Preservation committee.

*November 21* Japanese liner "Terukuni Maru" is sunk in English Channel by a mine.

*November 22* British Governmen proclaims right of seizure of enemy exports without discrimination.

*November 23* German Government announces reprisal against British declaration of right of seizure of export goods.

Italian Government protests British and French measures in connection with exports from Germany.

*November 24* Japanese force occupy Nanning in Kwangsi Province.

Japanese Government protests arrest of German export trade by Great Britain.

### Invasion of Finland by Soviet Russia

*November 26* Soviet and Finnish troops collide.

*November 27* Japanese naval air units raid Lanchow in Kansu Province.

*November 28* Great Britain and France formally promulgate Orders regarding seizure of all German exports.

Soviet Government abrogates non-aggression Pact with Finland.

*November 29* Soviet Government notifies Finland of severance of diplomatic relations.

Hidejiro Nagata is appointed Minister of Railways and Kiyoshi Akita Minister of Welfare.

*November 30* Japanese Foreign Minister, Admiral Nomura, calls attention of French Government to operations of Japanese forces at Pakhoi.

War breaks out between U.S.S.R. and Finland.

*December 1* Maizuru, near Kyoto, is raised to status of a first-class Naval Station.

Finnish Cabinet resigns and is immediately replaced. People's Government of Finland is organized at Terijoki, in the Karelian Isthmus, and is recognized by Soviet Russia.

*December 2* Wang Keh-min, chairman of the Peking Provinsioal Government elected president of the Hsin-min (new people's) Society of China.

President Roosevelt pronounces "moral embargo" against U.S.S.R.

U.S.S.R. concludes treaty of mutual assistance with People's Government of Finland.

*December 4* General Wu Pei-fu dies.

*December 5* British Government enforces measures relating to seizure of German exports.

*December 7* Special joint committee for delimiting boundary between Manchoukuo and U.S.S.R. meets for the first time at Chita.

*December 8* Japanese Cabinet passes Budget for 1940–41 fiscal year, amounting to 10,360,000,000 yen.

*December 9* Central Military College for Chinese is established in Shanghai.

*December 10* Mass meeting is held in Wuhan cities to promote new central government of China.

*December 11* The 20th session of the Assembly of the League of Nations is convened at Geneva.

*December 12* British Chancellor of the Exchequer Sir John Simon announces conclusion of mutual economic assistance pact between Great Britain and France.

National Cabinet is formed in Sweden.

*December 14* Department of Agriculture and Forestry authorizes prefectural Governors to compulsory purchase rice, especially in urban districts.

U.S.S.R. is expelled from The League of Nations.

*December 16* National General Mobilization Law is promulgated in regard to expropriation and use of important commodities to come into force on the 20th inst.

*December 18* Foreign Minister Admiral Nomura notifies American Ambassador Joseph C. Grew that Japan is prepared to open lower Yangtze to international navigation; Ambassadors of Great Britain, France, Germany and Italy are similarly notified.

*December 20* Commercial treaty is concluded between Italy and Rumania.

*December 21* Japanese forces occupy Lungchow and Chennan-kwan in Kwangsi Province.

Franco-Japanese dispute concerning loan to Tokyo Municipality is finally solved and protocol is signed in Paris.

*December 22* His Majesty the Emperor attends Supreme War Council which decides upon the revised military defence measures.

U.S. Government instructs that the 10 per cent differential duty upon Japanese goods entering U.S. be suspended pro tem.

*December 23* 75th session of the Imperial Diet is convened.

*December 24* The Navy Department of the Imperial Headquarters announces results of campaign for third year of the China Affair as follows: number of mines cleared 4,759; enemy planes destroyed up to December 20, 1939, 1,643. Japanese planes lost 142 during the three years 1937, 1938 and 1939.

*December 26* His Majesty the Emperor attends opening ceremony of the 75th session of the Imperial Diet.

Japanese Government promulgates regulations concerning control of profits.

*December 28* Military Department of the Imperial Headquarters announces results of military activities in China up to the end of November 1939 as follows: number of Chinese killed 1,218,462; Japanese, over 27,000 killed excluding losses on Manchoukuo and Outer Mongolia borders.

*December 31* Provisional fisheries agreement between Japan and U.S.S.R. is signed at Moscow.

# THE SITUATION IN CHINA

## CLEAN-UP CAMPAIGN IN THE WUYUAN SECTOR

Bureau of Information, War Department

As a sequel to the Japanese mopping-up operations conducted from late in January till early in February this year, the Chinese troops under General Fu Tso-i abandoned Wuyuan, some 250 kilometres northwest of Paotow, western terminus of the Peking-Suiyuan Railway, and fled northwest into Mongolia where they reorganized themselves at Linho, Shanpa and points in the Ordos plain.

In an attempt to recapture Wuyuan, they launched another attack, with four divisions of the 35th Army, upon the town at dawn on March 21, likewise moving against Nanniupa, some 15 kilometres south of Wuyuan, and various points along the north bank of the Wuchiaho River.

The Wuyuan garrison was composed mostly of native troops of the Federated Autonomous Government of Mongolia, with a sprinkling of Japanese.

The defenders being greatly outnumbered, Japanese reinforcements from Paotow, western terminus of the Peking-Suiyuan Railway, were hurriedly dispatched to their relief. Cooperating with the Yamaguchi air detachment, the relief column reached Taineichiao, about 8 kilometres north of Wuyuan, on the evening of March 22, and 3 days later, effected a crossing of the Wuchiaho River some 10 kilometres northeast of Wuyuan. Defeated, the Chinese forces fled to the west and south.

The Chinese lost some 500 dead, and the material captured from them included 2 mountain guns, 30 heavy machine-guns of Czecho-Slovakian make, with large quantities of arms and ammunition. We suffered 10 killed and 80 wounded; while 33 Japanese residents of Wuyuan lost their lives.

## ERRATUM

Attention is hereby drawn to the erroneous transposition of pages 388 and 389 in the grey-covered edition of TOKYO GAZETTE, April issue, Vol. III, No. 10.

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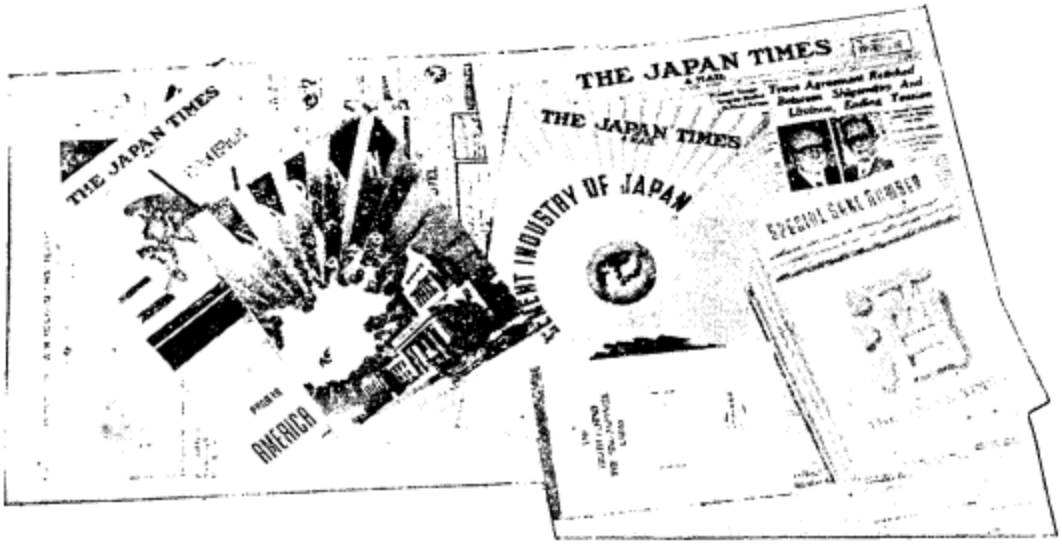


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